



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

James W. Carter  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340  
801-359-3940 (Fax)  
801-538-5319 (TDD)

June 30, 1993

Mr. Bruce A. Czul  
Manager, Insurance  
USG Corporation  
P.O. Box 6721  
Chicago, Illinois 60680-6721

Dear Mr. Czul:

Re: Approval of Replacement Reclamation Surety, United States Gypsum Company, Jumbo-Jensen Quarry, M/041/008, Sevier County, Utah

On June 23, 1993, the Board of Oil, Gas and Mining approved of the new \$264,500 Irrevocable Letter of Credit (ILOC) issued by Chemical Bank on behalf of United States Gypsum Company (USGC) for the Jumbo-Jensen Quarry in Sevier County, Utah. The Division can now release and return the previous Northern Trust ILOC to you (original enclosed). Also enclosed is an ILOC from First Interstate Bank of Utah which was never returned to you when it was replaced by the Northern Trust ILOC.

A copy of the Board approved and signed Reclamation Contract agreement and the ILOC document is also enclosed for your records. Thank you for your continued cooperation, assistance and patience in completing this permitting action. Please call me if I can be of further assistance or answer any questions you may have in this regard.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb

Enclosures

cc: Chuck A. Whittington, USGC - Jumbo/Jensen Quarry



File Number M/041/008

Effective Date \_\_\_\_\_

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

RECEIVED

JUN 22 1993

DIVISION OF  
OIL, GAS & MINING

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/041/008  
(Mineral Mined) Gypsum

"MINE LOCATION":  
(Name of Mine) Jumbo Jensen Quarry  
(Description) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

"DISTURBED AREA":  
(Disturbed Acres) 153.6 (as of 5/12/93)  
(Legal Description) (refer to Attachment "A")

"OPERATOR":  
(Company or Name) United States Gypsum Company  
(Address) 125 South Franklin Street  
Chicago, Illinois 60606-4678  
  
(Phone) (312) 606-4000

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

c/o

CT Corporation System

50 West Broadway

Salt Lake City, Utah 84101

"OPERATOR'S OFFICER(S)":

"see attached list"

"SURETY":

(Form of Surety - Attachment B)

Letter of Credit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Chemical Bank

LOC #

"SURETY AMOUNT":

(Escalated Dollars)

\$264,500

"ESCALATION YEAR":

1998 dollars

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between United States Gypsum Company the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/041/008 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated Sept. 14, 1987, and the original Reclamation Plan dated Sept. 14, 1987. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as

amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

Richard H. Fleming  
Authorized Officer (Typed or Printed)

Richard H. Fleming  
Authorized Officer's Signature

June 17, 1993  
Date

SO AGREED this 23<sup>rd</sup> day of June, 19 93.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY Dave D. Lauriski  
Dave D. Lauriski, Chairman  
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By

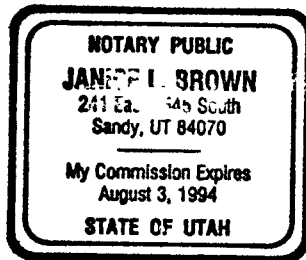
James W. Carter  
James W. Carter, Director

Date

6/30/93

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 30<sup>th</sup> day of June, 19 93, personally appeared before me, who being duly sworn did say that he/she, the said JAMES W. CARTER is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



Janice L. Brown  
Notary Public  
Residing at: Sandy, Utah

August 3, 1994  
My Commission Expires:

OPERATOR:

United States Gypsum Company  
Operator Name

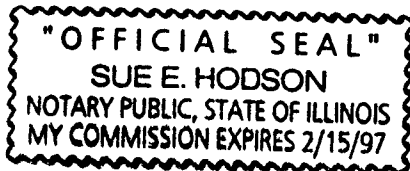
By Vice President and Treasurer  
Corporate Officer - Position

6/17/93  
Date

Richard H. Fleming  
Signature

STATE OF Illinois )  
COUNTY OF DuPage ) ss:

On the 17th day of June, 19 93, personally  
appeared before me Richard H. Fleming who  
being by me duly sworn did say that he/she, the said Richard H. Fleming  
is the Vice President and Treasurer of United States Gypsum Company  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
Richard H. Fleming duly acknowledged to me that said  
company executed the same.



Sue E. Hodson  
Notary Public  
Residing at: 968 Chapel Court South  
Glen Ellyn, Illinois 60137

My Commission Expires: \_\_\_\_\_



SURETY:

\_\_\_\_\_  
Surety Company

By \_\_\_\_\_  
Company Officer - Position

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss:

On the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_, personally  
appeared before me \_\_\_\_\_ who  
being by me duly sworn did say that he/she, the said \_\_\_\_\_  
is the \_\_\_\_\_ of \_\_\_\_\_  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
\_\_\_\_\_ duly acknowledged to me that said  
company executed the same.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:

NOTE: An affidavit of Qualification must be completed and attached to this  
form for each authorized agent or officer. Where one signs by virtue of Power of  
Attorney for a company, such Power of Attorney must be filed with this Contract.

ATTACHMENT "A"

United States Gypsum Company  
Operator

Jumbo Jensen Quarry  
Mine Name

M/041/008  
Permit Number

Sevier County, Utah

**The legal description of lands to be disturbed is:**

The disturbed areas are located in Township 22 South, Range 1 West, SLBM

Section 15, SE/4, E/2 SW/4, S/2 N/2, portions of N/2 N/2

Section 14, E/2 NW/4, SW/4, W/2 SE/4, SW/4 NE/4

Section 22, N/2 NE/4, NW/4 NW/4

Section 23, N/2 NW/4, N/2 NE/4

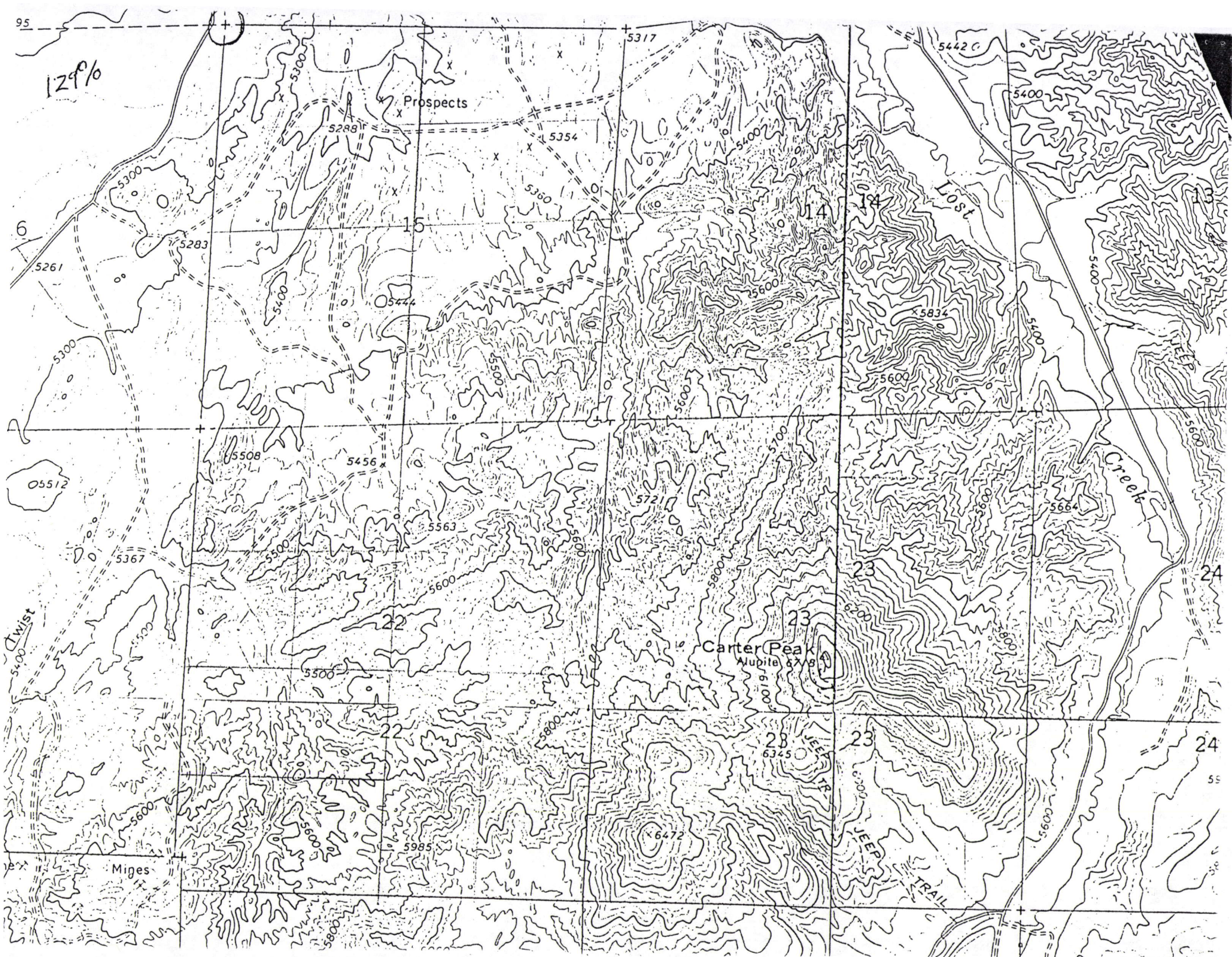
as described in the U.S. Gypsum map titled

"Mining & Reclamation Plan as of May 1st, 1993"

received by the Division of Oil, Gas and Mining on May 12, 1993\*

\*Prepared by DOGM 6/1/93







NAME OF COMPANY: United States Gypsum Company

PRINCIPAL OFFICE: 125 South Franklin Street, Chicago, IL 60606-4678

DATE INCORPORATED: February 4, 1966 (incorporated under the name of  
USG Corporation. Name changed on July 1, 1966 to  
United States Gypsum Company).

HOW INCORPORATED: Pursuant to the General Corporation Law of  
the State of Delaware.

AUTHORIZED CAPITAL: \$1,000      SHARES: 250      PAR: \$4

STOCKHOLDERS'  
ANNUAL MEETING: Date and time to be determined by or under  
the authority of the Board of Directors.

DIRECTORS'  
REGULAR MEETINGS: Immediately after the annual stockholders' meeting  
in each year and at such other times as may be  
determined by the Board of Directors.

OFFICERS

ADDRESS

Donald E. Roller, President and  
Chief Executive Officer

125 South Franklin Street  
Chicago, IL 60606-4678

D

Raymond T. Belz, Vice President  
Financial Services & Assistant  
Secretary

" " "

Robert F. Horvath, Vice President  
Marketing - West

" " "

Daniel J. Nootens, Vice President,  
Manufacturing

" " "

Robert B. Sirgent, Vice President,  
National Accounts and Marketing - East

" " "

United States Gypsum Company

OFFICERS (continued)

ADDRESS

Richard H. Fleming, Vice President and Treasurer	P.O. Box 6721 Chicago, IL 60680-6721
‡ Stanley L. Ferguson, Vice President, General Counsel & Ass't. Secretary	125 South Franklin Street Chicago, IL 60606-4678
Dean H. Goossen, Secretary	" " "

DIRECTORS

Brian W. Burrows	700 North Highway 45 Libertyville, IL 60048
J. Bradford James*	125 South Franklin Street Chicago, IL 60606-4678
William R. C. Macdonald	CGC Inc. P. O. Box 4034, Terminal "A" Toronto, Ontario M5W 1K8, Canada
P. Jack O'Bryan*	125 South Franklin Street Chicago, IL 60606-4678
Donald E. Roller*	" " "
Stanley R. Sak	" " "
Frank R. Wall	P.O. Box 806278 Chicago, IL 60680-4124

\*Member of Executive Committee.

STOCKHOLDER

SHARES

USG Corporation

250\*\*

\*\*Currently pledged as collateral in connection with Bank Credit Agreement.

‡ Denotes change.



AMENDMENT TO IRREVOCABLE  
LETTER OF CREDIT  
NUMBER 1  
DATE: JUNE 17, 1993

BENEFICIARY:  
UTAH DIVISION OF OIL, GAS AND MINING  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UTAH 84180-1203

GENTLEMEN AND LADIES:

WE HEREBY AMEND OUR IRREVOCABLE LETTER OF CREDIT NUMBER T-212047 IN ITS ENTIRETY TO READ AS FOLLOWS:

1. CHEMICAL BANK, OF NEW YORK, NEW YORK, HEREBY ESTABLISHES THIS IRREVOCABLE LETTER OF CREDIT (THE "LETTER OF CREDIT") IN FAVOR OF THE UTAH DIVISION OF OIL, GAS AND MINING ("DIVISION") FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$264,500.00 IN UNITED STATES DOLLARS ("FACE AMOUNT") EFFECTIVE IMMEDIATELY.
2. THIS LETTER OF CREDIT WILL EXPIRE UPON THE FIRST EVENT AS SET FORTH AS FOLLOWS: (A) 5:00 O'CLOCK P.M. (NEW YORK CITY TIME) ON MAY 25, 1994 OR (B) THE DATE UPON WHICH SUFFICIENT DOCUMENTS ARE EXECUTED BY THE DIVISION TO RELEASE USG INTERIORS, INC., ON BEHALF OF UNITED STATES GYPSUM COMPANY 125 SOUTH FRANKLIN STREET, CHICAGO, ILLINOIS 60606 ("OPERATOR") FROM FURTHER LIABILITY FOR RECLAMATION OF THE JUMBO JENSEN QUARRY, [MINE], M/041/008 [MINE PERMIT #] WITH NOTICE TO THE BANK BY THE DIVISION ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT WITH DIRECTIONS FOR CANCELLATION.
3. THIS LETTER OF CREDIT WILL BE AUTOMATICALLY EXTENDED FOR SUCCESSIVE PERIODS OF ONE YEAR FROM THE CURRENT OR ANY FUTURE EXPIRATION DATE UNLESS THE BANK GIVES NOTICE TO THE DIVISION 90 DAYS PRIOR TO THE EXPIRATION DATE THAT THE SURETY ELECTS NOT TO RENEW THE LETTER OF CREDIT.
4. FUNDS UNDER THE LETTER OF CREDIT ARE AVAILABLE AGAINST THE DIVISION'S SIGHT DRAFT, IN THE FORM OF EXHIBIT A, SPECIFYING LETTER OF CREDIT NUMBER T-212047 DELIVERED TO THE OFFICE OF THE BANK, 55 WATER STREET, 17TH FLOOR, ROOM 1708, NEW YORK, NEW YORK 10041 ATTENTION: STANDBY LETTER OF CREDIT DEPARTMENT. AT THE DIVISION'S SOLE ELECTION, THE DIVISION MAY PRESENT SIGHT DRAFTS FOR LESS THAN THE FACE AMOUNT SO LONG AS THE AGGREGATE AMOUNT OF ALL SIGHT DRAFTS DOES NOT EXCEED THE FACE AMOUNT. EACH DRAFT MUST BE ACCOMPANIED BY A CERTIFICATE IN THE FORM OF EXHIBIT B, SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF THE DIVISION.
5. IF THE BANK RECEIVES THE DIVISION'S SIGHT DRAFT(S) AND CERTIFICATE(S) AS PROVIDED IN PARAGRAPH NO. 4 ABOVE ON OR BEFORE THE EXPIRATION OR TERMINATION OF THIS LETTER OF CREDIT, THE BANK WILL MAKE SUCH AMOUNT AS THE DIVISION MAY SPECIFY, WITHIN THE LIMITS OF THE SECOND SENTENCE OF PARAGRAPH NO. 4 OF THIS LETTER OF CREDIT, AVAILABLE TO THE DIVISION NO LATER THAN THE CLOSE OF BUSINESS, NEW YORK CITY TIME, ON THE





CONTINUATION OF  
AMENDMENT TO IRREVOCABLE  
LETTER OF CREDIT  
NUMBER  
DATE: JUNE 17, 1993

SECOND BUSINESS DATE FOLLOWING THE BANK'S RECEIPT OF THE SIGHT DRAFT  
AND CERTIFICATE AND IN SUCH A MANNER AS THE DIVISION MAY SPECIFY.

6. THE LETTER OF CREDIT SHALL BE SUBJECT TO THE UNIFORM CUSTOMS  
AND PRACTICE FOR DOCUMENTARY CREDITS, 1983 REVISION, INTERNATIONAL  
CHAMBER OF COMMERCE PUBLICATION NO. 400, AS THE SAME MAY BE AMENDED  
AND IN EFFECT FROM TIME TO TIME ("UCP").

7. ALL COMMUNICATIONS REGARDING THIS LETTER OF CREDIT WILL BE  
ADDRESSED TO THE BANK AT 55 WATER STREET, 17TH FLOOR, ROOM 1708, NEW  
YORK, NEW YORK 10041 ATTENTION: STANDBY LETTER OF CREDIT DEPARTMENT,  
REFERENCING LETTER OF CREDIT NO.

VERY TRULY YOURS,

CHEMICAL BANK  
BY:   
KRISTINE SIEBEL  
ASSISTANT VICE PRESIDENT



EXHIBIT A TO IRREVOCABLE  
LETTER OF CREDIT  
NUMBER

EXHIBIT A - SIGHT DRAFT

TO  
LETTER OF CREDIT NUMBER

\_\_\_\_\_  
DATE CITY, COUNTY LETTER OF CREDIT NO.

PAY TO THE ORDER OF: UTAH DIVISION OF OIL, GAS AND MINING

\_\_\_\_\_  
DOLLARS

TO: CHEMICAL BANK  
55 WATER STREET  
17TH FLOOR, ROOM 1707  
NEW YORK, NEW YORK 10041  
ATTENTION: STANDBY LETTER OF CREDIT DEPARTMENT

UTAH DIVISION OF OIL, GAS AND MINING  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UTAH 84180-1203

BY: \_\_\_\_\_  
AUTHORIZED SIGNATURE

EXHIBIT B TO IRREVOCABLE  
LETTER OF CREDIT  
NUMBER \_\_\_\_\_

EXHIBIT B  
TO  
LETTER OF CREDIT NUMBER \_\_\_\_\_

I, \_\_\_\_\_ A DULY AUTHORIZED REPRESENTATIVE OF THE UTAH DIVISION OF OIL, GAS AND MINING, HEREBY CERTIFY THAT (1) THE DRAWING IN THE AMOUNT OF \$\_\_\_\_\_ BY SIGHT DRAFT ACCOMPANYING THIS CERTIFICATE, UNDER LETTER OF CREDIT NUMBER T-212047 DATED MAY 25, 1993 ISSUED BY YOU IS PERMITTED UNDER THE PROVISION OF THE LETTER OF CREDIT, (2) THE LETTER OF CREDIT HAS NEITHER EXPIRED NOR TERMINATED PURSUANT TO ITS TERMS, (3) THE AMOUNT OF THE SIGHT DRAFT, TOGETHER WITH ANY AMOUNTS PREVIOUSLY DRAWN UNDER THE LETTER OF CREDIT, DOES NOT EXCEED THE FACE AMOUNT, AND (4) THE UTAH BOARD OF OIL, GAS AND MINING, AFTER NOTICE AND HEARING, HAS ENTERED AN ORDER WHICH HAS NOT BEEN STAYED, ORDERING FORFEITURE OF RECLAMATION CONTRACT NUMBER \_\_\_\_\_, IN ACCORDANCE WITH APPLICABLE LAW. PROCEEDS OF THIS DRAWING WILL BE UTILIZED IN FULL TO PAY EXPENSES RELATING TO THE RECLAMATION LIABILITY FOR THE JUMBO JENSEN QUARRY, [MINE], M/041/008 [MINE PERMIT #].

THE UTAH DIVISION OF OIL, GAS AND MINING

BY: \_\_\_\_\_  
AUTHORIZED SIGNATURE

DATE: \_\_\_\_\_